

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT POLICY

Voluntary - Public

Date: 2/25/2010

GAIN Report Number: GR1003

Greece

Post: Athens

Greece Grain Outlook

Report Categories:

Grain and Feed

Approved By:

Jim Dever

Prepared By:

Cyndi Barmore

Report Highlights:

In 2009/10 Greek wheat production and exports increased significantly, for both durum and soft wheat. This was largely due to decreased corn production, as farmers reacted to low corn prices by substituting wheat for corn. Corn consumption remained steady in 2009/10, leading to higher corn imports.

Executive Summary:

Greece: Grain Outlook

Wheat

In 2009/10 Greek wheat production increased to an estimated 1,775,000 MT, primarily due to the low price of corn that led farmers to substitute wheat. Most wheat (about 70 percent) in Greece is used for food production, although a growing percentage is used in feed. Greek wheat exports increased due to higher production, reaching 630,000 MT in 2009/10. Exports increased in 2009/10 not only to other EU countries such as Italy, but also to countries outside the EU such as Tunisia and Turkey. Imports also increased from other EU countries, particularly Hungary, France, and Bulgaria. In 2010/11, wheat production is expected to decline slightly due to Greece's current financial crisis and a related decrease in demand for milling. Table 1 shows estimated production and consumption figures for wheat in 2009/10 and predictions for 2010/11.

Greece: Table 1. Wheat Outlook

	2009/10	2010/11
Area (1,000 HA)	790	760
Beginning Stocks (1,000 MT)	140	130
Production (1,000 MT)	1,775	1,770
Intra EU27 Imports (1,000 MT)	635	600
Extra EU27 Imports (1,000 MT)	180	150
Total Imports (1,000 MT)	815	750
Intra EU27 Exports (1,000 MT)	450	430
Extra EU27 Exports (1,000 MT)	180	170
Total Exports (1,000 MT)	630	600
Food Consumption (1,000 MT)	1,420	1,400
Feed Consumption (1,000 MT)	550	550
Total Consumption (1,000 MT)	1,970	1,950
Ending Stocks (1,000 MT)	130	100

Unofficial estimates based on industry sources

Greece produces over twice as much durum wheat as soft wheat. The increase in wheat production in 2009/10 included both durum and soft wheat, with planted area rising from 500,000 to 560,000 hectares and from 210,000 to 230,000 hectares respectively. Greek grain exports are almost exclusively durum wheat, which it mainly exports to Italy. Greece consumes far more soft wheat

than durum wheat, with 2009/10 domestic consumption estimated at around 1.3 million MT and 600,000 MT respectively. Of total soft wheat consumption, 950,000 MT was used for milling and the rest was used for feed in 2009/10. Self consumption on farm for soft wheat was an estimated 100,000 MT.

Corn

In 2009/10 Greek corn production decreased to an estimated 1,150,000 MT as farmers decreased their planted area in response to low prices. However, the low prices contributed to a slight increase in demand for corn, estimated at 1,494,000 MT in 2009/10, with the vast majority of consumption used for feed. The combination of lower domestic production and slightly higher consumption drove corn imports up in 2009/10 to an estimated 338,000 MT. The increase in non-EU corn imports came primarily from Serbia, which has a special trade agreement with the EU under which it can export certain products to the EU without paying trade duties. Greece imported the majority of its corn from Serbia, Bulgaria, Hungary, and France in 2009/10. In 2010/11, corn prices are expected to be slightly higher, and corn production is expected to increase to levels between 2008/09 and 2009/10 production figures. Table 2 shows estimated production and consumption figures for corn in 2008/09, 2009/10, and predictions for 2010/11.

Greece: Table 2. Corn Outlook

	2008/09	2009/10	2010/11
Area (1,000 HA)	183	135	150
Beginning Stocks (1,000 MT)	50	90	50
Production (1,000 MT)	1,500	1,150	1,250
Intra EU27 Imports (1,000 MT)	100	200	200
Extra EU27 Imports (1,000 MT)	0	138	100
Total Imports (1,000 MT)	100	338	300
Intra EU27 Exports (1,000 MT)	84	34	30
Extra EU27 Exports (1,000 MT)	0	0	0
Total Exports (1,000 MT)	84	34	30
Food Consumption (1,000 MT)	110	100	100
Feed Consumption (1,000 MT)	1,366	1,394	1,370
Total Consumption (1,000 MT)	1,476	1,494	1,470
Ending Stocks (1,000 MT)	90	50	100

Unofficial estimates based on industry sources

Barley

There was little change in barley production, consumption, and trade in 2009/10. Production of barley decreased slightly as more land was converted to wheat, totaling an estimated 340,000 MT in 2009/10. The majority of barley is used for feed, and the comparatively cheap price of corn contributed to a slight decrease in barley consumption to an estimated 511,000 MT. Since the decrease in production was proportional to the decrease in demand, barley imports remained steady at 165,000 MT. Greece imports the majority of its barley from other EU countries, such as Bulgaria, Germany, and Romania. Table 3 shows estimated production and consumption figures for barley in 2008/09 and 2009/10.

Greece: Table 3. Barley Outlook

	2008/09	2009/10
Area (1,000 HA)	230	170
Beginning Stocks (1000 MT)	40	40
Production (1000 MT)	360	340
Intra EU27 Imports (1000 MT)	90	110
Extra EU27 Imports (1000 MT)	72	55
Total Imports (1000 MT)	162	165
Intra EU27 Exports (1000 MT)	0	0
Extra EU27 Exports (1000 MT)	0	0
Total Exports (1000 MT)	0	0
Food Consumption (1000 MT)	75	50
Industrial Consumption (1000 MT)	0	20
Feed Consumption (1000 MT)	447	441
Total Consumption (1000 MT)	522	511
Ending Stocks (1000 MT)	40	34

Unofficial estimates based on industry sources
